



DEPARTMENT OF ENERGY

[OE Docket No. PP-108-1]

Application to Amend Presidential Permit; Arizona Public Service Company

AGENCY: Office of Electricity, Department of Energy.

ACTION: Notice of application.

SUMMARY: Arizona Public Service Company (APS or Applicant) filed a letter informing the Department of Energy (DOE or Department) of a change in the entity identified as the specific transmitter of emergency power imports in Presidential Permit No. PP-108. As a result of the change in counterparty, PP-108 must be amended to reflect that change.

DATES: Comments, protests, or motions to intervene must be submitted on or before ***[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]***.

ADDRESSES: Comments or motions to intervene should be addressed to Christopher Lawrence, *Christopher.Lawrence@hq.doe.gov*.

FOR FURTHER INFORMATION CONTACT: Christopher Lawrence (Program Office) at 202-586-5260 or by e-mail to *Christopher.Lawrence@hq.doe.gov*, or Christopher Drake (Attorney-Adviser) at 202-586-2919 or by e-mail to *Christopher.Drake@hq.doe.gov*.

SUPPLEMENTARY INFORMATION: The construction, operation, maintenance, and connection of facilities at the international border of the United States for the transmission of

electric energy between the United States and a foreign country is prohibited in the absence of a Presidential permit issued pursuant to Executive Order (EO) 10485, as amended by EO 12038.

On December 5, 1995, DOE issued Presidential Permit No. PP-108, authorizing APS to construct, operate, maintain, and connect the San Luis-Canal Line, a 34.5 kilovolt (kV) transmission line from the San Luis Substation in Yuma County, Arizona, extending approximately 2.8 miles to the U.S.-Mexico border adjacent to San Luis, Sonora, Mexico. The purpose of the facilities is the transmission of emergency power by APS to the Comisión Federal de Electricidad (CFE, the national utility in Mexico) and by CFE to APS. On the same day it issued Presidential Permit No. PP-108, DOE issued an order authorizing APS to export electric energy to CFE.

On July 16, 2019, APS filed a letter with the Office of Electricity of DOE informing the Department of a change in the counterparty listed in Presidential Permit No. PP-108. The letter indicates that CFE is no longer the entity responsible for requesting emergency assistance, as contemplated by the December 29, 2008 Enabling Contract governing transactions over the line. The responsible entity is now the Centro Nacional de Control de Energía (CENACE). APS represents that CENACE “now operates [Mexico’s] wholesale electricity market, has operational control of [Mexico’s] national electric system, and establishes energy imports and exports for reliability and emergency situations,” adding that CFE must “assign the Enabling Contract to CENACE.” APS requested “confirmation from DOE that [the permit] will remain applicable to the Enabling Contract once it has been assigned to CENACE.”

Article 3 of Presidential Permit No. PP-108 states that “the [permitted] facilities . . . may be used to import up to 20 megawatts of electric power and associated energy from [CFE] but only to the extent that such import serves load radially connected to the APS system and does not result in a synchronous connection between CFE and APS.” Article 4 provides that “[n]o change shall be made in the facilities covered by this permit or in [their] authorized operation . . . unless such change has been approved by the DOE.” APS sought confirmation of the permit’s

continued applicability following the Enabling Contract's assignment, not modification of the permit itself. However, because Presidential Permit No. PP-108 specifies CFE as the counterparty to APS, it is necessary for DOE to amend the permit to reflect the assignment.

Article 3 of Presidential Permit No. PP-108 also provides that "[t]he facilities . . . shall be designed and operated in accordance with the applicable criteria established by the Western Systems Coordinating Counsel [sic] and consistent with that of the North American Electric Reliability Council." Issuance of the permit preceded the enactment of the Energy Policy Act of 2005, which added section 215 to the Federal Power Act and allowed the Federal Energy Regulatory Commission to certify an Electric Reliability Organization to develop enforceable reliability standards for the Nation's bulk-power system. The certified organization, the North American Electric Reliability Corporation (NERC), oversees several Regional Entities, one of which is the Western Electricity Coordinating Council (WECC). Therefore, concurrent with its intent to modify Article 3 of Presidential Permit No. PP-108 to reflect the substitution of CENACE for CFE, the Department intends to revise Article 3 to substitute the full names of NERC and WECC, as applicable.

PROCEDURAL MATTERS: Any person may comment on this application by filing such comment at the address provided above. Any person seeking to become a party to this proceeding must file a motion to intervene at the address provided above in accordance with Rule 214 of FERC's Rules of Practice and Procedure (18 CFR 385.214). Each comment or motion to intervene should be filed with DOE on or before the date listed above.

Comments and other filings concerning this application should be clearly marked with OE Docket No. PP-108-1. Additional copies are to be provided directly to Mr. Phillip McLaughlin, GM, Resource Management, PO Box 53999, Mail Station 9842, Phoenix, AZ 85072-3999, *Phillip.McLaughlin@aps.com*.

Before a Presidential permit may be issued or amended, DOE must determine that the proposed action is in the public interest. In making that determination, DOE will consider the environmental impacts of the proposed action (*i.e.*, granting the Presidential permit or

amendment, with any conditions and limitations, or denying the permit), determine the proposed project's impact on electric reliability by ascertaining whether the proposed project would adversely affect the operation of the U.S. electric power supply system under normal and contingency conditions, and weigh any other factors that DOE may also consider relevant to the public interest. DOE also must obtain the favorable recommendation of the Secretary of State and the Secretary of Defense before taking final action on a Presidential permit application.

This application may be reviewed or downloaded electronically at <http://energy.gov/oe/services/electricity-policy-coordination-and-implementation/international-electricity-regulation-2>. Upon reaching the home page, select "Pending Applications."

Signed in Washington, D.C., on March 16, 2021.

Christopher Lawrence,
Management and Program Analyst,
Transmission Permitting and Technical Assistance,
Office of Electricity.